

November 6, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**ONE-YEAR LEASE FOR THE SHERIFF AND COUNTY COUNSEL  
101 CENTRE PLAZA DRIVE, MONTEREY PARK  
(THIRD) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Instruct the Chairman to execute the attached agreement with Paul and Eleanor Sade (Lessor) for the continued occupancy of 37,590 rentable square feet of office space, including 125 off-street parking spaces for the Sheriff and County Counsel at a monthly rent of \$46,987.50, of which 90 percent is a net County cost.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board and Section 15062 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO), Sheriff and County Counsel to implement the project. The lease will be effective upon adoption by the Board of Supervisors and termination of the current sublease on December 15, 2002.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On June 29, 1999, your Board adopted a sublease agreement with University Auxiliary Services Inc. The sublease agreement provides a total of 37,590 gross square feet of office space. The Sheriff's Personnel Administration Bureau occupies approximately 32,834 square feet and County Counsel's Appellate Unit of the Children's Services Division occupies approximately 4,756 gross square feet in the building. The current sublease agreement will terminate on December 15, 2002, and the master lease between University Auxiliary Services Inc., and the Lessor, will not be renewed. The Lessor has agreed to enter into a one-year split service lease with the County pending probable relocation of the staff to another location as part of the backfill if the Hall of Justice project is implemented. The recommended action will allow the Sheriff's approximate 200 member staff and County Counsel's staff numbering 22 to continue occupancy for a one year period upon Board approval and termination of the current sublease agreement.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, a Countywide Sheriff administrative function is consolidated and County Counsel is co-located to better serve clients.

### **FISCAL IMPACT/FINANCING**

The Sheriff portion of the monthly rental cost, or approximately \$41,044 is 100 percent net County cost funded through an allocation from the Sheriff's Operational Budget. Funding for County Counsel monthly rental cost, or approximately \$5,944 is included in its operating budget and is billed via intrafund transfers to the Department of Children and Family Services which in turn receives State and Federal subvention for this program.

<b>101 Centre Plaza, Dr., Monterey Park</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (square feet)	37,590	37,590	None
Term	08/23/99 to 12/15/02 Approximately 40 months	One-year	Reduced term (12 months)
Monthly Rent	\$59,369.64 (\$1.58/sq.ft./ full service)	\$46,987.50 (\$1.25/sq.ft./ split service (equivalent to \$1.61 if a full service lease)	\$0.03 increase under a full service lease
TI Allowance	\$471,080 (\$12.53/sq.ft.)	None	No TIs
Parking Included in Rent	125 off-street spaces	125 off-street spaces	None
Cancellation	None	Mutual right with nine months prior written notice	Nine month notice
Option to Renew	None	None	None
Rental Adjustment	Annual CPI increase capped at 3% per year	None	No CPI adjustment

Sufficient appropriation for the proposed lease amendment is included in the 2002-03 Rent Expense Budget and will be charged back to the Sheriff and County Counsel. Sufficient appropriation has also been included in the Sheriff and County Counsel Operating Budgets to cover the projected lease costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Sheriff and County Counsel have been at this location since the building was refurbished for County use in August 1999. The current sublease expires on December 15, 2002, and cannot be renewed or extended. Therefore, the County is entering into a direct agreement with the owner of the building.

The proposed month-to-month lease agreement provides 37,590 rentable square feet and 125 off-street parking spaces. The lease also contains the following provisions:

- One-year lease commences on December 16, 2002.
- There are no tenant improvements in this lease.
- Parking for the staff and visitors is available on-site.
- The Lease is split service. County is responsible for most of the repairs and maintenance of the building. Lessor is responsible for repair, maintenance and replacement of HVAC equipment, structural, roof, elevator, sump pump, concealed plumbing, fire sprinklers, sewer/waste system, insurance and taxes.
- County and Lessor have a mutual right to cancel anytime with nine months prior written notice.
- On October 1, 2002 your Board approved the construction of emergency exits in the parking structure of the Children's Court. As part of this project, the Lessor has consented to the temporary construction of two ingress/egress driveways in the premises surface parking lot. Upon completion of the permanent exit in the Court parking structure, the surface parking area will be restored to its original condition by the County. All work including site restoration shall be at the sole cost and expense of the County.

CAO Real Estate staff did not conduct a survey of the leased properties in the service area to determine the availability of comparable and more economical sites because this short term lease is a temporary solution pending the proposed implementation of the Hall of Justice project. Attachment B shows all County-owned facilities within the search area for this program. There are no County-owned facilities available for this program within close proximity to the current location.

Based upon a rental survey of similar properties within a three-mile radius of the site, staff has determined that the annual rental range is between \$15.60 and \$19.20 per rentable square foot split service. Thus, the base annual rental rate of \$15.00 per square foot is at the low end of the market range for the area surveyed.

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The Department of Public Works (DPW) has inspected the facility and recommends a detailed seismic review be completed. Accordingly, the CAO has requested DPW complete a seismic review. The Lessor is prepared to undertake any recommended retrofit work at its sole cost and expense if the work can be accomplished without severely impacting the day-to-day operations of the tenants and the cost is justified. If the Lessor cannot retrofit the building due to cost or existing occupancy, the County will continue its short term tenancy while a search for a suitable replacement facility is conducted pending the implementation of the proposed Hall of Justice project.

If the retrofit work is undertaken, upon completion and review by DPW and sign-off by the City of Monterey Park, a lease amendment for a five-year term with a right to cancel after three years may be submitted to your Board for review and approval. The five-year lease with an early cancellation will afford the County the flexibility of relocating the program(s) should County-owned space become available as a result of the proposed Hall of Justice project.

#### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of the CAO that the proposed lease is in the best interest of the County and will continue to provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Sheriff and County Counsel concur in this lease recommendation.

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## **CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SNY  
SHK:CEM:hd

Attachments (4)

c: Sheriff  
County Counsel  
Auditor-Controller

**CHILD SUPPORT SERVICES DEPARTMENT  
101 CENTRE PLAZA DRIVE, MONTEREY PARK  
Asset Management Principles Compliance Form<sup>1</sup>**

1.	<b>Occupancy</b>		Yes	No	N/A
	A	Does lease consolidate administrative functions? <sup>2</sup>	X		
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sf of space per person? <sup>2</sup>	X		
2.	<b>Capital</b>				
	A	Should program be in leased space to maximize State/Federal funding?		X	
	B	If not, is this a long term County program?	X		
	C	Is it a net County cost (NCC) program? <b>90%NCC / 10% Offset by S&amp;F Funds</b>	X		
	D	If yes to 2 B or C; capital lease or operating lease with an option? <b>This is a short term solution that a capital lease or capital project will address on a long term basis.</b>		X	
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? <b>This Sheriff program is currently being considered as part of a backfill plan for existing County owned space (Sheriff Headquarters) if the Hall of Justice project is implemented. County Counsel may also be considered for backfill of Sheriff Headquarters due to proximity to Children's Court</b>	X		
3.	<b>Portfolio Management</b>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>Split Service, Lessor insisted on a triple net lease. A split service lease was negotiated whereby County is responsible for repair/maintenance and utilities.</b>		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval? <b>A detailed seismic review is in process. The Lessor will retrofit the building based on recommendations in final report.</b>		X	
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
	<sup>2</sup> If not, why not?				

**SPACE SEARCH, THREE-MILE RADIUS OF  
4700 W. RAMONA BOULEVARD, MONTEREY PARK (SHERIFF HEADQUARTERS)**

<b>LACO</b>	<b>FACILITY NAME</b>	<b>ADDRESS</b>	<b>SQ.FT. GROSS</b>	<b>NET SQ.FT.</b>	<b>OWNERSHIP</b>	<b>SQ.FT. AVAILABLE</b>
0837	Med Ctr-Personnel Office Bldg	1200 N State St., LA 90033	2980	1761	Owned	None
0838	Med Ctr-Quality Assur Utiliz Review	1200 N State St, LA 90033	2980	2341	Owned	None
3100	Eastlake Juvenile Crthse -1	1601 Eastlake Ave., LA 90033	47379	26024	Owned	None
3102	Juvenile Hall-Admin Bldg. - 4	1605 Eastlake Ave., LA 90033	75907	33945	Owned	None
3241	East Los Angeles Courthouse	214 S Fetterly Ave, ELA 90022	126972	63347	Financed	None
4231	Biscailuz-Training/Intelligence Fac	1060 N Eastern Ave., LA 90063	1660	1372	Owned	None
4364	Probation-East L.A. Area Office	144 S Fetterly Ave ELA 90022	15584	11327	Owned	None
4465	DF Kirby Cntr-Administration Bldg	1500 S McDonnell Ave Commerce 90022	18169	10117	Owned	None
4526	Biscailuz-Administration Bldg	1060 N Eastern Ave LA 90063	16571	11428	Owned	None
4799	PW Central Yard-Division Hdqts	1525 Alcazar St LA 90033	10438	7224	Owned	None
4946	Med Ctr-Interns & Residents Bldg	2020 Zonal Ave., LA 90033	142448	79494	Owned	None
5260	Coroner-Admin/Investigations Bldg	1102 N. Mission Rd., LA 90033	22479	14251	Owned	None
5412	Public Library-ELA Library	4801 E 3 <sup>rd</sup> St, ELA 90022	14848	11740	Owned	None
5805	Mental Health Courthouse	1150 N San Fernando Rd LA90065	28523	16817	Owned	None
5863	ISD-Administrative Hdqts	1100 N Eastern Ave, LA 90063	80309	58826	Financed	None
5870	ISD-Eastern Ave Complex Telecom Branch Bldg	1110 N Eastern Ave., LA 90063	37742	28973	Financed	None
6131	DCSS-E.L.A. Service Center	133 N Sunol Dr, ELA 90063	28514	21777	Owned	None
A930	Public Library-El Camino Real Library	4264 E Whittier Bl ELA 90023	3280	2563	Owned	None
T039	Sheriff-Eastern Complex Fleet Svcs Off	1104 N Eastern Ave LA 90063	1548	1428	Owned	None
X155	ISD-Eastern Ave Complex Telecom Butler Bldg.	1112 N Eastern Ave., LA 90063	4960	4638	Owned	None
X167	Sherman Block Sheriff's Hdqts Bldg	4700 W Ramona Bl, Monterey Park 91754	125000	106250	Financed	None
X201	Edmund D Edelman Children's Court	201 Centre Plaza Dr, Monterey Park 91754	275530	181958	Financed	None
X707	Public Library-Anthony Quinn Lib	3965 E Cesar Chavez Ave, ELA 90063	3612	1948	Owned	None
X900	Thomas A Tidemanson Public Wks Bl	900 S Fremont Ave., Alhambra 91803	536168	363876	Financed	None
Y135	Centro Maravilla Svc Ctr-Bldg B	4716 E Cesar Chavez Ave, ELA 90022	3612	1948	Owned	None
Y307	Public Library-City Terrace Library	4025 E City Terrace Dr, ELA 90063	8007	6984	Owned	None
Z367	HSG-Assisted Housing Div Offices	4800 E Cesar Chavez Ave ELA 90022	20000	18000	Owned	None